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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of	)	
	)	
Rulemaking to Amend Part 64 of	)	CC Docket No. 96-146
the Commission's Rules Governing	)	
Interstate Pay-Per-Call and Other	)	
Information Services Pursuant to the	)	
Telecommunications Act of 1996	)	

MCI REPLY COMMENTS

MCI Telecommunications Corporation (MCI), by its attorneys, hereby replies to the initial comments submitted by other parties in response to the Commission's Order and Notice of Proposed Rule Making (Order/NPRM), FCC 96-289, released July 11, 1996, in the above-captioned proceeding.

INTRODUCTION

In its initial comments, MCI expressed its support of the Commission's proposed modifications to Sections 64.1501 (b), 64.1504 and 64.1510 of its rules, for the purpose of foreclosing deceptive practices in connection with pay-per-call services. MCI believes that the Commission's proposed rule revisions should increase the protection available to customers from fraudulent and deceptive practices by information providers (IP), as well as promote the development of legitimate pay-per-call services.

Numerous parties filed initial comments in this proceeding. Most support the Commission's proposed rule changes. The vast majority acknowledge that the Commission must remain vigilant in order to prevent new deceptive undertakings that seek to take advantage of "loopholes" that exist in the current law. However, several parties, including MCI, suggest that the Commission clarify its proposals in several respects for the purpose of ensuring that its proposed rules achieve the desired effect and to ensure that carriers are not adversely impacted by the new rules. In these Reply Comments, MCI focuses on a few of the initial comments submitted. Its failure to address those otherwise made should not be interpreted to mean that MCI supports those positions.

DISCUSSION

I. MCI Supports The Recommendation To Require Information Service Providers To "Tag" Or Otherwise Identify Their Calls.

In its NPRM, the Commission proposes to revise its rules to provide that charges for presubscribed information services accessed through a toll-free number must be displayed separately from charges for local and long-distance telephone service. Notwithstanding its general support for this proposed rule change, MCI suggested in its initial comments that carriers should only be required to display charges for presubscribed information services accessed through toll-free numbers on a separate line rather than on a separate page of a customer's bill. To require that such charges be displayed on a separate page would not only be extremely costly to carriers, but also unnecessary because a separate line display is sufficient to distinguish charges for information services from local and long-distance charges.

The Interactive Services Association expressed this same concern, recommending, on page 8 of its initial comments, that "carriers be required to display [the subject] charges on a separate line only, rather than on a separate page of the telephone bill." Other parties expressed related concerns. In its initial comments, the United States Telephone Association (USTA) opined that, in proposing that charges for pre-subscribed information services obtained via a toll-free number be displayed separately from other charges, the Commission should require that the responsibility for such separation rest with the party on whose behalf local exchange carriers (LECs) perform billing services. USTA's apparent concern is that billing carriers have no way of identifying calls made to an information service provider (IP) if the calls are not made to a 900 number. MCI shares this concern. A billing carrier is unable to determine whether a called placed to an 800, 500, 700, international or POTS (plain old telephone service) number is being made to an IP or to a party that is not an IP. Accordingly, MCI agrees that IPs should be held responsible for "tagging" or otherwise identifying their calls. Such a requirement would enable billing carriers to properly display the charges for these calls on customers bills.

II. Several Of the Parties' References To MCI Contain Inaccurate Descriptions Of MCI Services, Products, Practices And/Or Rates.

Several parties make references to MCI and/or MCI services, products, practices and rates. [1] Although it has no desire to shift Commission focus from its task of finalizing revisions to its pay-per-call rules, MCI is compelled to respond at least briefly to several of the comments concerning MCI. On pages 5 and 6 of its jointly filed initial comments, HFT, Inc., LO-AD Communications, Corp. and American International Communications, Inc. (hereinafter, collectively, "HFT") argue that the Commission's proposed rule modifications are overbroad and

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[1] See Comments of the TeleServices Industry Association, pages 17-19; Comments of AT&T, page 3, n.7; Comments of the Alliance of Young Families, page 5-6; Consolidated Comments of HFT, Inc., LO-AD Communications Corporation and American International Communications, Inc., pages 5-6.

unduly restrictive. In support of its position, HFT contends that, because of the tremendous bad debt write-offs that occur, IPs must charge more for their services, resulting in an otherwise unnecessary additional expense to the customer. In support of that proposition, HFT proffers a hypothetical scenario in which:

> a given provider can transmit its services to a subscriber through MCI in the evening at ten cents per minute. MCI, by agreeing to share twenty percent of its reasonable and customary charge for transmitting the call with the provider affords the provider the opportunity to service the subscriber at the customary long distance rate while at the same time realizing a profit. [2]

MCI submits that this scenario does not accurately describe any service that it presently offers.

The TeleServices Industry Association (TeleServices), on pages 17 through 19 of its initial comments, references MCI's "Friends and Family" program as one which constitutes the type of reciprocal arrangement the Commission proposes, in paragraph 48 of its NPRM, to prohibit. TeleServices supports its assertion by stating that discounts made to certain customers effectively are "commissions" and that such payments are not unlike the kind that the proposed rules would prohibit. TeleServices is incorrect; it plainly is making an inappropriate comparison here. The Commission's tentative conclusion expressly contemplates reciprocal agreements between carriers and entities providing or advertising the information services -- not end-user consumers. There is nothing in the language of the Commission's tentative conclusion that even remotely suggests that programs that give callers discount incentives to utilize a carrier's services are problematic.

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[2] Comments of HFT, page 5-6.

CONCLUSION

MCI respectfully requests that the Commission consider the above comments, in addition to MCI's initial comments, when fashioning amended rules in this proceeding.

Respectfully submitted,

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September 16, 1996

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I, Sylvia Chukwuocha, hereby certify that a true copy of the foregoing "REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION" was served this 16th day of September, 1996, by hand delivery or first class mail, postage prepaid, upon each of the following persons:

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